

Approved 1-30-24

**THE NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
MINUTES OF THE BOARD OF DIRECTORS CONTINUATION MEETING OF
DECEMBER 19, 2023 - ELECT NOMINATING COMMITTEE MEMBERS
January 5, 2024**

Directors participated by Zoom were Sharon Davis, Brenda Boisvert, Leo Dwyer, Edward French, Carolyn Kedersha, Madeline McElaney, Alana Albee, William Darcy, Thomas Mongeon, and Harry Viens. Others present were Alyssa Clemsen Roberts, CEO/President, Attorney Paul Phillips, General Counsel, Sharon Yeaton and Maida Lessard, Executive Services Administrator (recording).

Chair Davis called the meeting to order at 8:30 a.m.

Chair Davis commented this is a continuation of the December 19, 2023 Board Meeting for the sole purpose of appointing nominating committee members. The nominating committee can be comprised of 5 to a maximum of 11 members. There are 15 members who have applied to volunteer for the committee. There are 4 directors' terms expiring: Ms. Boisvert, Mr. Dwyer, Mr. French, and Mr. Morrill. None of these directors will be allowed to participate or vote today according to the bylaws and policy. Today, none of the four directors have expressed an interest to run for reelection. But for purposes of this meeting today we'll assume that all 4 will be running for re-election. To date there have been 11 members outside of the Board of Directors who have expressed an interest in running for the director position. Looking for a proposal.

Mr. Darcy replied that he would like to have a motion to narrow it down to 11 and go from there. He would like to exclude from consideration all those who served on the committee in 2023; Clark, Erickson, Haight, and Kaplan, and my reasons are the same for all 3.

They failed in 2023 to reflect the wishes of members by excluding from nomination the 2 candidates that secured the largest number of votes. From a member perspective, they failed to choose the best candidates as shown by that vote. Second, they failed to ask questions during the interviews concerning the mission of NHEC. Specifically, the affordability of rates, reliability and services, and focused instead on intramural board politics. And third, they vetoed the 2 candidates who had done the most concerning the affordability of member services by securing the \$50 million dollar grant to benefit members. So, for those reasons we can narrow it down by excluding those 4 candidates from consideration. The motion was seconded by Ms. Albee.

Ms. Albee shares a similar concern as Mr. Darcy. As written in the bylaws, geographical distribution should be the top criteria. She suggested to start with the top priority and narrow it by geography, and then talk about the duplicate towns.

Mr. Mongeon commented that it makes sense to narrow, based on geography and taking it up a level. We need to agree on a process that we use or an approach like looking at where there's redundancy in in the same town. Mr. Mongeon also commented that having new members on the nominating committee would make sense.

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Mr. Viens recalled when the last round of modifications on how the nominating committee was constructed, the whole point was to eliminate any director influence or the ability of a director to essentially perpetuate their term. It could possibly give them the ability to manipulate the outcome. He commented the motion appears to be inappropriate and he is not in support of it.

Ms. McElaney commented she agrees with Mr. Viens and does not think that prior service on the nominating committee should be a disqualifier. In speaking with Evan Kaplan, Ms. McElaney found him to be very bright, thoughtful, and competent. She wouldn't want him to be excluded just because he's done it before. She also commented she would love to see him become more involved with cooperative governance.

Ms. Kedersha commented she also agrees with Mr. Viens, and she is not in favor of the motion.

Chair Davis replied it is her observation that 2 members were encouraged to volunteer for the nominating committee by Mr. Dwyer who is running for reelection. This has the appearance of influence, and this is why the process was changed a number of years ago. One member is in Florida and will not be in NH for the nominating committee process. This member was never available by phone or email and should be excluded. We have no provisions in the bylaws for participating via Zoom. We have no provisions in nominating committee policy process for remote meetings at this time.

Chair Davis asked to make an amended motion to approve all applicants except for Bernhard, Erickson, Ishkanian, and Mr. Lee, from the committee and approve the remaining 11 members. We have all residential year-round customers, except for Mr. McLeod as he is a commercial year-round member representative, and we should also consider that as well. Motion was seconded by Ms. McElaney.

Ms. Albee asked for clarification on the process. There are bylaws that outline the rationale on of the basis on which people should be selected, and geography is one, and the motion that was just made would reduce the geography and multiply some towns. I have concern that we're not following our criteria bylaws, which starts with geography, then goes on to rate class. then goes on to length of membership and year-round seasonal, which could touch on Chair Davis's point about availability, which I'm also concerned about. We should have one representative from each town of the 15 candidates to addresses geography, and then drill into Campton, Moultonborough, Sandwich, and Plymouth, where we have multiple candidates and discuss each town's candidate.

Chair Davis will remove her motion on the floor if Mr. Darcy removes his motion as well.

Mr. Darcy replied he will withdraw his motion. He is concerned about Mr. MacLeod as he is a commercial member by virtue of his membership in the health system which has facilities all over our service area. Would any employee of that entity be a member and be qualified to both be on the nominating committee and be a director. It raises serious questions about whether or not he actually qualifies because he is not physically present as a residential member.

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Attorney Phillips responded he is not familiar with Mr. Mcleod, but if he's the CEO he does have binding authority over the enterprise. He is not familiar with how commercial members have been considered in the past. We have a commercial rate class, so we have to have representation within that membership, and a CEO would strike me as an appropriate designee or representative of the commercial customer.

Mr. Darcy commented that the contact person on the account may be relevant as well.

Attorney Phillips commented that the accounts payable supervisor might be the representative and may not be the best choice.

Chair Davis suggested moving on with the consideration of Mr. Abbott.

Mr. Darcy replied he is a no because of his concern of having a narrow focus on that we should adopt in our strategic plan, climate change and energy goals, and is not consistent with our overall mission.

Ms. McElaney responded she is a yes as she spoke with him on the phone when he expressed interest in joining the committee and he's done it before. He is familiar with the process. She observed his personality to be a person who listens and thinks before reacting.

Mr. Mongeon commented he thought the process was to go through the candidate list and drill down on the duplicate towns.

Chair Davis replied no, it will go member by member and then visit the duplicate towns.

Ms. Albee commented her proposal was that the first criteria in the bylaws is geographic distribution, and if there's nothing that disqualifies them, then a representative from each of the towns that we have service location applicants for. By default, those from Holderness, Andover, Warren, Littleton, North Haverhill, and Center Harbor would become automatic nominating committee members unless there's an objection.

Chair Davis replied there is an objection for Andover due to contact by a director running for reelection.

Mr. Darcy questioned this objection as the candidate had never met Mr. Dwyer.

Chair Davis responded it was on his paperwork that Mr. Dwyer referred him and encouraged him to apply.

Ms. Albee offered clarification as she spoke with the candidate because Mr. Dwyer was aware that he shouldn't be influencing this. Mr. Dwyer offered he speak to another director. Ms. Albee did not see any bias and gave him Chair Davis's contact information as well. She doesn't think he should be knocked out on the basis of contacting a current director. Our rules don't say candidate should not contact a director up for reelection. She believes Mr. Dwyer behaved

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appropriately and told the candidate to contact a director that was not running. Because of the dynamics on this board, I recommended he also contact the chairman.

Chair Davis commented she did speak with the candidate and commented he was a very nice and knowledgeable gentleman. She did ask him if he felt that he could perform objectively even though he's friends with Leo and Leo encouraged him to sign up. The candidate also said that Mr. Dwyer had contacted him.

Mr. Mongeon commented a process to take out any potential personal bias or thoughts of illusion of should be followed. The need to be fair to those that have put themselves forward to the nominating committee as well as to the members.

Ms. Albee made a motion that those towns with only single candidates be considered, and then deep dive into those towns where there are multiple candidates to go down to the next criteria. Those locations that have single candidates are Holderness, Andover, Warren, Littleton, North Haverhill, and Center Harbor. Motion was seconded by Mr. Mongeon.

VOTED: Those towns with only single candidates (Holderness, Andover, Warren, Littleton, North Haverhill, and Center Harbor) be considered, and then deep dive into those towns where there are multiple candidates to go down to the next criteria.

Vote was unanimous.

Mr. Mongeon suggested a proposal on a process for drilling down on the duplicate candidates. He commented he looked at the candidates answers why they are interested in serving on the nominating committee and understand what a cooperative is all about as well as member representation.

Chair Davis agrees with Mr. Mongeon's suggestion.

Ms. Albee made a motion to take the second criteria in the bylaws which is rate class and apply it to the remaining towns where there are duplicate candidates in order to diversify rate classes on the nominating committee. The motion was seconded by Mr. Mongeon.

Chair Davis confirmed a vote for Mr. MacLeod based on rate class and to exclude Mr. Kaplan.

VOTED: Mr. MacLeod was elected to the nominating committee for Plymouth based on rate class.

Vote was unanimous.

Ms. Albee commented It would seem incorrect to knock people out because there are duplicate candidates in the towns. There should be criteria on how to select people from Campton,

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Moultonborough, and Sandwich. She suggested to consider length of membership and year-round membership as there is a candidate from Moultonborough that is not readily available it should be discussed.

Mr. Darcy made a motion to exclude Mr. Ishkanian from Moultonborough as he is in Florida and unable to attend in person. Motion was seconded by Ms. McElaney.

VOTED: to exclude Mr. Ishkanian from Moultonborough as we do not have a policy in place currently for a nominating committee to be a member via Zoom.

Vote was unanimous.

Attorney Phillips asked for clarification that there are 3 towns that each have 2 candidates being Campton, Moultonborough, and Sandwich.

Chair Davis replied that is correct and will be discussing the candidates from each one of those towns by length of service of membership with the Co-op.

Ms. Albee made a motion to have one representative per town for a total of 10 members. Motion was seconded by Mr. Mongeon.

VOTED: To have one representative per town for a total of 11 members as clarified by Ms. Kedersha.

Vote was unanimous.

Ms. Kedersha commented that there are 11 towns being represented, Plymouth, Holderness, East Amherst, Campton, Moultonborough, Littleton, Sandwich, Andover, Warren, North Haverhill, and Center Harbor.

Mr. Darcy made a motion to make Ms. Deneau the representative for Campton and exclude Ms. Erickson. Motion was seconded by Ms. Albee.

VOTED: to make Ms. Deneau the representative for Campton and exclude Ms. Erickson.

Vote was 6 in favor (Directors Darcy, McElaney, Mongeon, Albee, Davis, Kedersha), 1 opposed (Director Viens). Vote carries.

Mr. Darcy commented that Chair Davis mentioned there are 11 candidates for directors and a possible conflict with one of the directors and Ms. Erickson. Can the identity of those 11 directors that are candidates be disclosed.

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Chair Davis replied she does not have the names as the process has been to notify the Executive Services Administrator of any interest and paperwork would be sent.

Mr. Darcy asked Ms. Yeaton if the names of the director candidates been disclosed in the past to directors.

Ms. Yeaton replied no.

Mr. Darcy made a motion to include Mr. Glassman as a representative for Moultonborough. The motion was seconded by Ms. Albee.

Attorney Phillips suggested to mention 2 possible candidates and have an election between the 2 of them.

Vote was 5 in favor (Directors Darcy, McElaney, Mongeon, Albee, Viens), 2 opposed (Directors Davis and Kedersha). Vote carries.

Mr. Darcy made a motion to make Mr. Lee the representative for Sandwich and exclude Ms. Haight. Motion was seconded by Ms. Albee.

VOTED: to make Mr. Lee the representative for Sandwich and exclude Ms. Haight.

Vote was 3 in favor (Directors Darcy, Mongeon, Albee), 4 opposed (Directors Davis, Kedersha, McElaney, Viens). Vote does not carry and Ms. Haight is the representative for Sandwich.

Ms. Kedersha commented that this candidate was also contacted by Mr. Dwyer. The process should be as transparent and free from any perception that anybody on the board, whether they're running or not, is trying to influence how this process is working.

Ms. Albee commented to revisit the bylaws and add as another rule that those running for reelection should not be contacted by potential nominating committee members.

Attorney Phillips commented that could be done but also understands that the Board's practice in the past has been to take a complete hands-off approach to the nominating committee. All directors should be aware that there shouldn't be any recruiting, contacting, or encouraging nominating committee members to apply.

Ms. Albee replied that was not stated at board meetings and she thought all directors were encouraged to try and recruit members as there weren't enough people coming forward. We should be following our bylaws and including this going forward.

Attorney Phillips commented that the policy states the director should not participate in the nominating committee process.

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Ms. Yeaton commented she looked up Mr. MacLeod in the system and he is an active residential member in Thornton as well.

Ms. McElaney commented that she in favor of Ms. Haight due to her experience with the process of the nominating committee and her knowledge of the electric cooperative.

Ms. Albee made a motion to include Mr. MacLeod as a member from Thornton as a residential member and include Mr. Kaplan from Plymouth. Motion was seconded by Ms. McElaney.

VOTED: to include Mr. MacLeod as a member from Thornton as a residential member and include Mr. Kaplan from Plymouth.

Vote was 4 in favor (Directors McElaney, Viens, Kedersha, Davis), 2 opposed (Directors Darcy, Mongeon), 1 abstention (Director Albee). Vote carries.

Chair Davis drew attention to the resolution for compensation for the members of the 2024 nominating committee. Members will receive \$350 per meeting capped at a maximum payment of \$1,050. The nominating committee chair will receive an additional \$150, and the vice chair will receive an additional \$100. Mileage will be reimbursed at the current IRS rate.

Mr. Darcy made a motion to approve the resolution. Seconded by Ms. McElaney.

VOTED: to approve the resolution for compensation for the members of the 2024 nominating committee. Members will receive \$350 per meeting capped at a maximum payment of \$1,050. The nominating committee chair will receive an additional \$150, and the vice chair will receive an additional \$100. Mileage will be reimbursed at the current IRS rate.

Vote was unanimous.

2024 Nominating Committee Members

Robert MacLeod	Thornton
Will Abbott	Holderness
Alex Bernhard	Andover
Linda Deneau	Campton
Bill Gassman	Moultonborough
John Goodrich	Littleton
Joanne Haight	Sandwich
Mike Clark	Warren
Greg Mathieson	North Haverhill
George Tall	Center Harbor
Evan Kaplan	Plymouth

Meeting was adjourned at 9:30 a.m.

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Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Sharon Davis, Chair of the Board